



RESOLUTION

APPROVING ON A CONTINGENT PRELIMINARY BASIS AGREEMENTS WITH (A) VEOLIA WATER NORTH AMERICA – NORTHEAST, LLC, FOR OPERATION, MAINTENANCE AND MANAGEMENT, AND (B) R.W. BECK, INC. FOR MANAGEMENT OVERSIGHT AND ENGINEERING SERVICES, FOR A PUBLICLY-OWNED WATER WORKS, SUBJECT TO FORMAL APPROVAL OF COMPLETE AGREEMENTS AT SUCH TIME AS THE PUBLIC UTILITIES COMMISSION APPROVES CITY ACQUISITION OF THE WATER WORKS

CITY OF NASHUA

In the Year Two Thousand and Five

RESOLVED by the Board of Aldermen of the City of Nashua that

WHEREAS, the City of Nashua has filed eminent domain proceedings with the New Hampshire Public Utilities Commission under RSA 38 to acquire plant and property of the water utility serving the people of Nashua and others; and

WHEREAS, the Board of Aldermen has determined to operate the water works under public ownership by means of contracts with private companies for (a) operation, maintenance, and management, and (b) management oversight and engineering services; and

WHEREAS after a request for proposals and review of proposals, the Board of Aldermen voted on September 7, 2005 to negotiate contracts with (a) R.W. Beck, Inc. for management oversight and engineering services, and (b) Veolia Water North American – Northeast, LLC, for operation, maintenance and management services; and

WHEREAS the City's consultants have negotiated terms of such agreements, agreeable to the proposed contractors, that are substantially complete, pending a determination by the Public Utilities Commission of the extent of the water system to be acquired and other conditions of acquisition that may be imposed; and

WHEREAS, these terms are set forth in the attached documents styled as preliminary agreements; and

WHEREAS the preliminary agreements indicate that the water systems can be managed, maintained and operated with service that is as good or better than under the current ownership and at a cost that is significantly lower than would be the case going forward under the current ownership; and

WHEREAS, the terms of the preliminary agreements will be an important part of the evidence that the City must submit to the Public Utilities Commission on January 12, 2006 on the issue of whether the City's acquisition of the water system will be in the public interest; and

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WHEREAS it is recognized that such agreements cannot be ready for final, formal approval at this time because of the need to first take account of any and all relevant conditions of approval of the acquisition; and

WHEREAS the Board of Aldermen's approval of these preliminary agreements, on a contingent, non-binding basis is nevertheless an important part of such evidence;

NOW THEREFORE the Board of Aldermen approves, on a contingent preliminary basis, the terms of the (a) Operation, Maintenance and Management Agreement with Veolia Water North America – Northeast, LLC and (b) Professional Services Agreement with R.W. Beck, Inc., to be provided, subject to formal acceptance and approval by the Board of Aldermen and Finance Committee of completed agreements upon final approval of the acquisition by the Public Utilities Commission upon such terms and conditions as the Commission may set.